



MTC SAFE



Memorandum

TO: Operations Committee

DATE: May 1, 2009

FR: Executive Director

W.I.: 1231, 1232, 1235

RE: MTC SAFE FY 2009-10 Draft Budget

Attached for the Committee's information is the draft FY 2009-10 MTC SAFE budget (Attachment A). This is a draft budget for Committee discussion. The final FY 2009-10 budget will be brought to the Committee for approval in June.

The draft FY 2009-10 MTC SAFE budget addresses concerns raised last year by this committee about the long-term fiscal stability of the program's operating reserve. The SAFE program will begin the next fiscal year with an Operating Reserve of \$14.0 million. With the proposed expenditures and transfers described in this memo, we project the SAFE reserve will have a balance of \$10.6 million at the close of FY 2009-10. This is a conservative estimate that assumes that all of the budgeted funds for every project will be fully expended in the next fiscal year. In addition, we expect the SAFE operating reserve to stabilize within a range of \$9 and \$11 million over the next five years.

Budget Summary (in thousands)

Opening Reserve Balance \$14,023

FY 2009-10 Revenues

Operating Revenue	\$15,807
Capital Revenue	\$5,751
Total Revenues	\$21,612

FY 2009-10 Expenditures

Operating Expenditures	\$15,595
Capital Expenditures	\$7,229
Transfers	\$2,201
Total Expenditures	\$25,025

Reduction in reserves	\$3,467
Estimated ending reserve balance	\$10,556

Operating Budget

We are forecasting that annual vehicle registration fees dedicated to the Bay Area Call Box program will hold steady at approximately \$6 million. The Freeway Service Patrol is expected to receive State funding of approximately \$6 million per year and \$3.5 million in STP funding (up from \$1 million in FY 2008-09). In combination with other funding sources, total operating revenues for the SAFE program are forecast to be approximately \$15.8 million in FY 2009-10.

Operating expenditures will total \$15.6 million, the bulk of which is for FSP tow service contracts (\$10.1 million). Other operating expenses include \$1.1 million for general operations and \$818,000 for consulting services. Significant changes in operating expenditures include a shifting of personnel resources within the SAFE program and a decrease of four tow trucks in the FSP program starting in July 2009. Another six truck reduction is planned for July 2011. We are reducing the tow trucks due to benefit cost analysis that indicates that the FSP program can operate more efficiently with a minor reduction of tow trucks.

Consistent with prior years, the budget includes a transfer of funds to MTC for projects such as 511, freeway operational efficiency projects, and regional emergency preparedness activities, totaling \$2.2 million. Of this \$2.2 million transfer, \$1.4 million is SAFE funds, a 35% decrease over the FY 2008-09 SAFE transfer of \$1.8 million.

Capital Budget

SAFE will receive \$5.8 million in CMAQ and other non-SAFE funding for Incident Management projects in the SAFE capital program. The draft budget recommends \$7.2 million for new capital projects in FY 2009-10 (listed in Attachment B), which requires a SAFE contribution of \$1.5 million.

SAFE Program Reserves

The SAFE Program has two reserves, an Operating Reserve and a Capital Reserve. An increase of STP funds for the Freeway Service Patrol program and a decrease in operating expenditures for the Freeway Service Patrol and Call Box programs will balance operating revenues and expenses in FY 2009-10. As a result, the SAFE operating reserve is expected to stabilize within a range of \$9 and \$11 million over the next five years. At the close of FY 2009-10, we anticipate an operating reserve of approximately \$10.6 million. Of this operating reserve, approximately \$3 million (or 20% of annual operating expenditures) is protected in case of a financial crisis.

The SAFE capital program functions as a reserve specifically for approved capital projects and includes federal and local funds. With approval of the FY 2009-10 budget, the SAFE program will have a total of \$20.4 million for capital projects at the start of FY 2009-10.

Steve Heminger

SH:JM

J:\COMMITTEE\Operations\2009 Operations Comm Packets\May09\SAFE-Draft_FY_10_budget.doc

Attachment B
SAFE Capital Project Funding
FY 2009-10

- **Freeway Incident Management and Operational Efficiency Projects (\$2,598,000 CMAQ/SAFE match):** This funding will implement projects to enhance incident management and operational efficiency, with a proposed emphasis on the I-880 corridor in Alameda County. The I-880 corridor was selected to serve as a regional test bed to develop, deploy and assess the benefits of incident management strategies because it is a densely populated, multi-modal corridor that connects major employment centers. As a major goods movement corridor, I-880 has high traffic volumes and incident rates, and serves as a route of major economic significance both within the region and throughout the state. Specific project proposals will be brought to this committee for approval.
- **Highway 12 Corridor Safety and Traffic Study (\$1,600,000 Caltrans/Solano Transportation Authority/SAFE):** This project is intended to fund a traffic and safety analysis on Highway 12 in Solano County between I-80 and I-5. If approved, MTC will be providing \$300,000 of SAFE funding and performing project management. The additional funding will come from STA and Caltrans.
- **Freeway Performance Initiative Corridor Study (\$1,330,000 CMAQ, Caltrans, SAFE).** This project is intended to fund the early implementation of the initial set of system management strategies being developed through the Freeway Performance Initiative.
- **Call Box Site Mitigation (\$750,000 SAFE):** This project would upgrade access to call boxes on the freeway system to comply with standards mandated under the American Disabilities Act. The most recent upgrade improved pad size to accommodate a greater wheelchair turning radius. This project would upgrade approximately 900 call boxes that are currently behind curbs and either improve the site conditions to provide access to the call box, relocate the call box to a better location or remove the call box.
- **ATMS (\$701,031 Caltrans).** This is the Caltrans contribution to this existing project which will improve operation of the freeway system by integrating all tools used by TMC operators into a single unified system, including centralized control of ramp metering, surveillance cameras, changeable message signs and detector stations. It will also provide interoperability with other Caltrans TMCs in the event of disasters. The system utilizes advanced algorithms to detect freeway traffic incidents and implements expert system technology to manage freeway events.
- **Bridge Call Box Customization (\$250,000 BATA):** BATA has provided SAFE with \$2.76 million for the purchase and installation of call box assemblies for the bridges. The additional \$250,000 in BATA funding will cover specialized installation for each bridge that was not anticipated when the project was originally developed.